GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:3569
ANSWERED ON:18.04.2005
SUPPLY OF LNG BY GAIL TO SAIL
Nikhil Kumar Shri

Will the Minister of STEEL be pleased to state:

(a) whether Steel Authority of India Limited (SAIL) has entered into an agreement with Gas Authority of India Limited (GAIL) for supply of LNG for its plants;

(b) if so, the details thereof;

(c) the details of SAIL plants to which GAIL will provide LNG;

(d) whether the provision of LNG for SAIL plants will have any impact on the production and prices of steel; and

(e) if so, the details thereof?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) Yes, Sir.

(b) SAIL signed a `Heads of Agreement` (HoA), (equivalent to MoU), with GAIL on 10.2.05 for supply of approx. 3.563 MMSCMD (Million metric standard cubic meters per day) of natural gas to its four integrated steel plants. The HoA envisages signing of Gas Sale Agreement to finalise the terms of contract with GAIL. The natural gas is likely to be available during 2007.

(c) The gas will be supplied to Bokaro, Durgapur, Rourkela and Bhilai Steel Plants of SAIL.

(d) & (e): With introduction of natural gas, there will be improvement in productivity of Hot Metal in Blast Furnaces. Due to lesser generation of solid waste, environment management will also improve. However, impact on cost of steel will depend on pricing of natural gas by suppliers which will be known only when actual gas sale agreement is finalised.